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STATE FOR EB/CBA
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TAGS: [EINV](#) [EFIN](#) [CASC](#) [PM](#)
SUBJECT: USG ADVOCACY FOR AMERICAN BENEFICIARIES OF
EXPATRIATE ESTATE

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ACCORDINGLY.

¶1. (SBU) SUMMARY AND ACTION REQUEST. Post requests Department's guidance on the extent of advocacy services to be provided for Amcit beneficiaries and Amcit executor alleging corruption and delayed due process in the Panamanian courts, during the settlement of the estate of Wilson Charles Lucom. The late Mr. Lucom renounced his U.S. citizenship in 1995. Post questions the extent to which we should extend advocacy services to his Amcit heirs and executor, if at all, given Lucom's status as a third-country national at the time of his death and given that the primary beneficiaries of Lucom's will would be poor Panamanian children. End summary and action request.

Expatriated Amcit Estate Mired in Panama's Murky Judiciary

¶2. (SBU) Post's Consular section confirmed that Department records show Wilson Charles Lucom DOB 14 October 1917 New Jersey, renounced his U.S. citizenship in July of 1995. Mr. Lucom died in Panama on 2 June 2006. Mr. Lucom's will states that he is a citizen of St. Kitts. The will appoints Richard Lehman, Christopher Rudy and his Panamanian wife Hilda Piza Lucom as executors of the estate. Mrs. Lucom is the daughter-in-law of former Panamanian President Harmodio Arias and the niece of former Panamanian President Mireya Moscoso. Mr. Lucom's will leaves the bulk of his substantial estate (\$30 million) to the Wilson C. Lucom Trust Fund Foundation with a mandate to administer nutritional programs for the poor children of Panama.

¶3. (SBU) In an October 11 letter to the Ambassador, Mr. Lehman alleges that despite his appointment as the sole Executor of Mr. Lucom's estate by Panama's Fourth Civil Circuit and First Judicial Circuit courts on 5 July 2006, he has been deprived of virtually all of his powers to act on behalf of the estate. Mr. Lehman claims that when he attempted to consolidate Mr. Lucom's accounts into one single account in the name of the trust, Mrs. Lucom filed criminal charges alleging theft. Mr. Lehman states that Mrs. Lucom filed a petition to remove Mr. Lehman as executor. Mr. Lehman claims he witnessed bearer shares for a \$5.8 million corporation of Mr. Lucom's removed from Mr. Lucom's effects. Mr. Lehman alleges that the majority of his powers as Executor have been suspended by the

Panamanian court without stated cause.

¶4. (SBU) Mr. Lucom bequeathed about \$1 million per year to be divided among several Amcit beneficiaries, primarily the children and relatives of his former wife. He bequeathed a total of about \$700,000 per year to be divided among Mrs. Lucom and her Panamanian children and relatives. Upon the death of his widow, the Wilson C. Lucom Trust is authorized to disburse \$1 million to the Mayo Clinic and another \$400,000 to be divided among various nieces and nephews (presumed to be Amcits).

¶5. (SBU) Mr. Lehman requests Embassy assistance in ensuring due process for Mr. Lucom's Amcit beneficiaries. Thus far, Post has asked that the Amcit beneficiaries verify their citizenship and to indicate their desire for USG advocacy in this matter.

Comment: Post Questions Whether/How USG Advocacy Applies

¶6. (SBU) This case could potentially generate significant controversy because of the sizable amount of money at stake, the multi-nationality of the heirs, Panama's weak judiciary, and the primarily altruistic intent of Lucom's will towards the poor children of Panama and the Mayo Clinic. However, the fact that the late Mr. Lucom renounced his U.S. citizenship puts the USG in an awkward position vis a vis his Amcit beneficiaries. Advocating on their behalf would also entail going up against Panama's judicial environment of corruption and cronyism. It would also set a precedent for USG advocacy on behalf of Amcit attorneys representing third country nationals in Panama.

¶7. (SBU) As American citizens look increasingly to overseas retirement destinations and possible legal expatriation as part of their asset protection and tax minimization strategies, we may well see additional cases of this type. Therefore, we would appreciate Department's guidance on the extent to which USG advocacy would be warranted under such circumstances.

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